

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Public Services – Commercial Taxes Department – Disciplinary proceedings initiated under rule 20 of APCS (CC&A) Rules, 1991 against Sri K. Kasinath, former Commercial Tax Officer, Khammam (Retd.) in having issued way bills to M/s. Laxmi Steels, Khammam indiscriminately causing huge loss to Govt. - Charges proved in the inquiry – Imposition of punishment of withholding entire pension and gratuity permanently besides recovery of pecuniary loss of revenue of Rs.35 lakhs under Revenue Recovery Act, if the loss could not be recovered from the Dealer - Orders – Issued.

REVENUE (VIGILANCE- I) DEPARTMENT

G.O.Rt.No. 674

Dated:03-05-2012.

Read the following:

- 1) The Commissioner of Commercial Taxes, A.P, Hyderabad Ref. No.D3/1340/2004, dt.29.07.2004.
- 2) Sri K. Kasinath, Commercial Tax Officer (Retd.) written statement of defence dt: 15.09.2004.
3. From the Commissioner of Commercial Taxes, A.P, Hyderabad, Letter No. VI (D3)/1340/2004-1, Dt: 3.11.2004.
- 4) G.O. Rt. No.737, Revenue (Vig.I) Deptt., dt.15.03.2008.
- 5) G.O.Rt.NO.738, Revenue (Vig. I) Dept. DT: 15.3.2008.
- 6) Commissioner of Commercial Taxes, A.P, Hyderabad Ref. No.V1/1340/2004, dt.18.08.2009 together with copy of enquiry report of the Joint Commr. CT, Audit-II, O/o. the Commissioner of Commercial Taxes, A.P, Hyderabad, dated 21.7.2009.
- 7) Govt. Memo No. 41673/Vig. I(1)/2004-5, Dt: 16.11.2009.
- 8) From Sri K. Kasinath, CTO (Retd.), representation, dt: 18.1.2010.
- 9) From the Commissioner of Commercial Taxes, A.P, Hyderabad Letter No. VI/1340/2004, Dt:16.1.2012.
- 10) Govt. Letter No.41673/Vig. I(1)/2004-12, Dt: 16.2.2012.
- 11) From the Secretary, A.P. Public Service Commission, Letter No. 444/RT/1/2012, Dt: 12.4.2012.

ORDER:

In the reference 1st read above, the Commissioner of Commercial Taxes, A.P, Hyderabad framed charges against Sri K. Kasinath, formerly Commercial Tax Officer-I, Khammam on the allegation of issuing 9 way bill books (i.e., total 816 way bills) to M/s. Laxmi Steels, Khammam without proper verification of used way bills filed by the Dealer and without proper enquiries about the business activities of the dealer which lead to loss of revenue of Rs.35 lakhs to the State exchequer; directing him to submit his written statement of defence. In the reference 2nd read above, the individual has submitted his written statement of defence.

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2. In the reference 3rd read above, the Commissioner of Commercial Taxes, A.P, Hyderabad has referred the matter to the Government stating that Sri K. Kasinath, Commercial Tax Officer retired from service on superannuation on 31.7.2004 and requested to take necessary disciplinary action against the individual under A.P. Revised Pension Rules, 1980. Government after careful examination, decided to conduct enquiry into the matter and accordingly appointed Sri K. Raghavaiah, Joint Commissioner, Commercial Taxes, O/o. the Commissioner of Commercial Taxes, A.P, Hyderabad as the Inquiring Authority to inquire into the charges framed against the Charged Officer, vide reference 4th read above. Sri S.V. Vijayanda Rao, Assistant Commissioner, Commercial Taxes, Warangal Division was appointed as the Presenting Officer to present the case, vide reference 5th read above.

3) In the reference 6th read above, the Commissioner of Commercial Taxes has furnished the Enquiry Report, dt: 21.7.2009 of the Inquiring Authority to Government, wherein, the Inquiring Authority held that charge is held proved against the Charged Officer.

4) Government, after examination of the enquiry report, have provisionally decided to impose a major penalty of withholding of entire pension and gratuity permanently against Sri K. Kasinath Commercial Tax Officer (Retired) under rule 9 of A.P. Revised Pension Rules, 1980, besides recovering the pecuniary loss of revenue of Rs.35.00 lakhs (Rupees thirty five lakhs only) under Revenue Recovery Act, if the loss could not be recovered from the dealer. Accordingly, Government communicated the above provisional decision to impose the above penalty together with a copy of enquiry report to the Delinquent Officer; with a direction to submit his representation, if any; for taking further action, vide reference 7th read above.

5) In the reference 8th read above, Sri K. Kasinath, Commercial Tax Officer (Retd.) has filed representation stating that he had verified utilization of previous way bills filed by the Dealer whenever the Dealer filed requisition to issue of further way bills and noticed that the Dealer was prompt in filing of monthly returns and thus he could not suspect the Dealer. Verification would be done when extraneous information was received from other sources. When the matter stood thus, the Assistant Commissioner, Commercial Taxes (Int.) Visakhapatnam sent a cross verification reference relating to purchase of iron and steel scrap and defectives amount to Rs.3,09,10,831/- made by the Dealer viz., M/s. Laxmi Steels, Khammam from M/s. Visakhapatnam Steel Plants, Visakhapatnam on 25.10.2000 and he verified the transactions with reference to the monthly returns filed by the dealer and did not find place those transactions. Immediately, he called for the books of accounts and summoned the Dealer. But the Dealer did not respond his summons. After verification, he prepared a show-cause notice with tax effect of Rs.36,00,355/- and sent through registered post to the Dealer, but it was returned as un-served. Subsequently, the dealer appeared in person and furnished books of accounts and statements.

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After taking into all the facts and figures and cross verification of Commercial Tax Officer, Macherla, he issued a show-cause notice for the year 1999-2000 under APGST Act, dt: 25.7.2001 with tax effect of Rs.22,73,289/- and served on dealers on 2.8.2001. The dealers requested to grant some time for filing of tax paid certificates, but the Dealer could not file the same till the date of 10.9.2001 and later he was transferred from the circle. The successor Commercial Tax Officer, who assumed the post of Commercial Tax Officer, Khammam on 10.9.2001 issued revised show-cause notice raising a demand of tax and allowed time to the Dealer. But the Enquiry Officer has not considered this aspect and gave the finding that he is guilty. He has requested to drop further action in the matter since he is not careless in discharging his duties.

6. Government have examined the contentions of Sri K. Kasinath, Commercial Tax Officer (Retd.) with reference to material available and observe that the Charged Officer as Commercial Tax Officer, Khammam issued 816 way bills from 24.6.1999 to 14.9.2000, but he never cross verified the previous way bills filed by the Dealer which involves huge transactions. The show-cause notice, dt: 25.7.2001 issued by the charged officer proposing to levy the tax of Rs.22,73,289/- was served on the proprietor of M/s. Laxmi Steels, Khammam on 2.8.2001. However, inspite of service of the show cause notice, the Delinquent Officer did not pass the assessment orders and did not take immediate necessary steps for collection of tax until he was transferred from Khammam. The explanation of the Delinquent Officer that the successor Commercial Tax Officer raised the demand and issued further show-cause notice to the Dealer and that the Dealer was also present during the tenure of his successor is not tenable, since the Delinquent Officer failed to cross verify the previous way bills filed by the Dealer which involves huge transactions made by the Dealer thereby causing loss of Rs.35 lakh to Government and hence, the Delinquent Officer is held responsible. Accordingly, Government have decided to confirm the provisional decision to impose a major penalty of withholding of entire pension and gratuity in full permanently under rule 9 of A.P. Revised Pension Rules, 1980 against Sri K. Kasinath, Commercial Tax Officer (Retired), besides recovery of pecuniary loss of revenue of Rs.35.00 lakhs (Rupees thirty five lakhs only) under Revenue Recovery Act from him, if the loss could not be recovered from the Dealer and addressed the A.P. Public Service Commission for their concurrence. In the reference 11th read above, the Secretary, A.P. Public Service Commission has communicated the consent of the Commission to impose the above penalty against the individual.

7. Government, after careful examination of the matter, hereby impose the major penalty of withholding of pension and gratuity in full permanently against Sri K. Kasinath, CTO (Retd.) under rule 9 of A.P. Revised Pension Rules, 1980; besides recovering the pecuniary loss of revenue of Rs.35.00 lakhs (Rupees thirty five lakhs only) under Revenue Recovery Act from him; if the loss could not be recovered from the dealer. Copy of the advice of the A.P. Pubic Service Commission, dt: 12.4.2012 as required under rule 23 of APCS (CC&A) Rules, 1991 is herewith furnished to the individual.

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8. The Commissioner of Commercial Taxes, A.P, Hyderabad shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**ASUTOSH MISHRA
PRINCIPAL SECRETARY TO GOVERNMENT**

To

Sri K. Kasinath, Commercial Tax Officer (Retd.) (w.e).

through the Commissioner of Commercial Taxes, A.P, Hyderabad.

The Commissioner of Commercial Taxes, A.P, Hyderabad

(with a request to serve the G.O on the individual and send the served copy with dated signature to Government)

Copy to:

The Secretary, A.P. Public Service Commission, Hyderabad.

The Accountant General, AP, Hyderabad.

The Director of Treasuries & Accounts, Hyderabad.

The Revenue (CT.I) Department.

PS to Prl. Secretary to Government, Revenue Department.

SF/SC.

//Forwarded :: By Order //

SECTION OFFICER.